

LOAN GUARANTEE FEE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Reduce the costs to small businesses in financing projects by providing tax credits for certain federal loan guarantee programs.

AUTHORIZATION

Section 135.766, RSMo:

"An eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to any amount paid by the eligible small business to the United States Small Business Administration as a guaranty fee pursuant to obtaining Small Business Administration guaranteed financing and to programs administered by the United States Department of Agriculture for rural development or farm service agencies. "

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

A small business defined in Section 44 of the IRS code must (in the prior tax year) have gross receipts of less than \$1 million; or if more than \$1 million, less than 30 full time employees.

HOW THE PROGRAM WORKS

The Missouri Department of Economic Development (DED) will issue state income tax credits to an "eligible small business" for the amount of the guarantee fee paid to the U.S. Small Business Administration (SBA) or the U.S. Department of Agriculture (USDA) for a small business loan.

APPLICATION PROCEDURE

A business should submit an application to DED within one year from the date the loan is disbursed to the business.

FUNDING LIMITS

There is no limit on the amount per business or total amount distributed annually.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax

This credit has no special attributes and must be applied to tax liability for the year it was earned.

CONTACT

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ADDITIONAL RESOURCES

Go to the department's home page at www.missouridevelopment.org to obtain guidelines and forms for this tax credit as well as a wealth of information regarding Missouri's many other economic development programs and policies.

- **SBA programs:**
www.sbaonline.sba.gov/financing/indexloans.html
- **USDA Business and Industry Guarantee:**
www.rurdev.usda.gov/rbs/busp/bprogs.htm